## TABLE OF CONTENTS

Para	graph CHAPTER 1. GENERAL	Page
1-1.	PURPOSE	1-1
1-2.	OBJECTIVES	1-1
1-3.	ADMINISTRATIVE OFFICES	1-1
	A. Field Office and Regional Offices B. Headquarters Office	1-1 1-1
1-4.	SELECTION OF OTHER PROGRAMS	1-1
1-5.	WAIVERS	1-2
2-1.	CHAPTER 2 - PROJECT UNDERWRITING GENERAL	2-1
	A. Before Issuing a Commitment B. The Director of Multifamily Housing (MHD)	2-1 2-1
2-2.	APPLICATION STAGES	2-1
	A. Site Appraisal and Market Analysis B. Feasibility (substantial rehabilitation	2-1
	projects)	2-1
	C. Conditional Commitment	2-2
	D. Firm Commitment	2-2
	E. Combined Stages	2-2
2-3.	CHANGES IN PROPOSALS	2-2
	A. Significant Deviation	2-2
	B. Change in Sponsorship	2-2
	C. Allowable Changes	2-3
	D. Rejection	2-4
	E. Counterproposal by HUD	2-4
2-4.	FEES AND CHARGES	2-4
2-5.	DIRECTOR OF MULTIFAMILY HOUSING (MHD)	2-5
4425.1 RE		4/98
2-6.	AUTHORITY TO MODIFY CONCLUSIONS	2-5
2-7.	DATA DEVELOPMENT AND LIBRARY MAINTENANCE	2-5
	A. A Prerequisite to the Effective Screening of Sponsor Proposals at the Initial Interview	2-5
	B. Available Date Asset Management (AM)	2-6

2-8.	UNDERWRITING AND TECHNICAL SPECIALISTS	2-6
	A. HUD Staff B. Delegated Processors and Technical Discipline	2-6
	Contractors	2-6
2-9.	UNDERWRITING QUALITY CONTROL	2-6
2-10.	COMMITMENT TERMS AND EXTENSIONS	2-6
	A. Conditional Commitment	2-6
	<ul><li>B. Firm Commitment to Insure Advances</li><li>C. Reopening an Expired Commitment</li></ul>	2-6 2-7
0 11		
2-11.	ENVIRONMENTAL PROCEDURES	2-7
2-12.	PROCEDURES FOR PREVIOUS PARTICIPATION REVIEW	2-8
2-13.	AFFIRMATIVE FAIR HOUSING MARKETING (AFHM) PLAN	2-8
2-14.	FAIR HOUSING ACT	2-8
	A. Background	2-8
	B. Architectural Barriers Act (ABA) of 1968 C. Section 504 of the Rehabilitation Act of 197	2-9 73
		2-9
	D. Title VIII of the Fair Housing Act of 1968 E. Final Fair Housing Accessibility Guidelines	2-9 2-10
2-15.	INTERGOVERNMENTAL REVIEW REQUIREMENTS	2-11
	A. Applicant Action	2-11
	B. Applicant's Submission	2-11
2-16.	MARKET ANALYSIS REVIEW	2-11
2-17.	PROJECT APPROVAL	2-12
2-18.	FIRE SAFETY REQUIREMENTS	2-12
4/98	iv	
4425.1	REV-2	
	CHAPTER 3 - ELIGIBILITY REQUIREMENTS	
3-1.	ELIGIBLE MORTGAGEES 3-1	
3-2.	ELIGIBLE MORTGAGORS 3-1	
3-3.	CONTROL OF MORTGAGOR 3-1	

В.	Equal Opportunity in Housing Annual Financial Statements	3-1 3-1			
C. D.	Identity of Interest Working Capital Requirements	3-2 3-3			
3-5	. ELIGIBLE MORTGAGES	3-3			
A.	Maximum Interest Rate	3-3			
	Level Annuity Monthly Payment (LAMP) Plan	3-4			
	Mortgage Covenants	3-4			
D.	Mortgage Insurance Premiums	3-4			
3-6	. MARKETABILITY - RESPONSIBILITY OF FIELD OFFICES	3-4			
	HUD Obligation and Responsibility	3-4			
	HUD Control of Housing Supply	3-5			
	Surplus Housing	3-5			
D.	Rental Housing	3-5			
3-7	. PROPERTY AND DEVELOPMENT REQUIREMENTS	3-5			
Α.	Project Size	3-5			
	Project Site	3-5			
	Real Estate Requirements	3-6			
D.	Liens	3-6			
Ε.	Property Standards	3-6			
F.	Zoning	3-6			
G.	Commercial Areas	3-6			
Н.	Displacement	3-6			
3-8. AREA ELIGIBILITY 3-8					
Α.	General	3-8			
В.	Flood Hazard Areas	3-8			
C.	Coastal Barriers	3-8			
D.	Military Impact Areas	3-8			
	REQUIREMENTS OF GENERAL CONTRACTORS	3-10			
3-9	. REQUIREMENTS OF GENERAL CONTRACTORS	3-10			
A.	Prevailing Wages	3-10			
В.	Equal Employment Opportunity	3-10			
v1/9	95				
442	5.1 REV-2				
CHAPTER 4 - PROJECT PROCESSING					
4-1	. FILING AN APPLICATION	4-1			
Α.	Preapplication Conference	4-1			
В.	Sponsorship	4-1			
C.	Market and Marketability	4-1			

D.	Building and Site Plan Suitability	4-1		
4-2	STAGES OF PROJECT PROCESSING	4-1		
В.	Single-Stage Processing Multiple-Stage Processing Application Acceptance Meeting	4-1 4-2 4-2		
4-3	APPLICATION EXHIBITS - NEW CONSTRUCTION	4-2		
B.	Site Appraisal and Market Analysis (SAMA) Conditional Commitment Firm Commitment	4-2 4-3 4-5		
4-4	APPLICATION EXHIBITS - REHABILITATION PROJECTS	4-5		
В.	Feasibility Stage Conditional Commitment Stage Firm Commitment Stage	4-5 4-6 4-7		
4-5	DELEGATED PROCESSING	4-7		
4-6	TECHNICAL DISCIPLINES CONTRACTS	4-7		
CHAI	TER 5 - STATUTORY MORTGAGE LIMITS - HIGH COST AREAS			
5-1	BASIC STATUTORY LIMITS	5-1		
5-2	MORTGAGE LIMITS EXCEPTIONS	5-1		
A. Section 810 B. Section 220(h) C. Solar Energy Systems D. High Cost Area Increase		5-1 5-1 5-1 5-1		
5-3	DELEGATED AUTHORITY	5-1		
5-4	TERMINOLOGY	5-1		
А. В. С.	Locality High Cost Area High Cost Percentage (HCP)	5-1 5-2 5-2		
1/95vi				
4425.1 REV-2				
5-5	APPLICABILITY	5-2		
5-6	Base Locality HCP Revision	5-2		
5-7.	Key Locality HCP Revision	5-2		

5-8	. Request for HCP Increase	5-3	
Α.	Procedures	5-3	
В.	Policy	5-3	
C.	Requirements for Approval	5-3	
D.	Required Contents of Package for Headquarters	5-3	
Ε.	Narrative Justification	5-4	

vii1/95